

**MINISTRY OF JUSTICE AND ATTORNEY GENERAL**

**QUEEN'S PRINTER REVOLVING FUND**

**FINANCIAL STATEMENTS**

**For the Year Ended March 31, 2009**



## Provincial Auditor Saskatchewan

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SASKATCHEWAN

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### AUDITOR'S REPORT

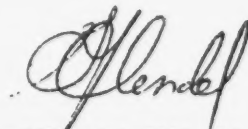
To: The Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Queen's Printer Revolving Fund as at March 31, 2009, and the statements of operations and accumulated surplus, and changes in accumulated net recovery for the year then ended. The Revolving Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Revolving Fund as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan  
June 19, 2009

  
Fred Wendel, CMA, CA  
Provincial Auditor

## Statement 1

Ministry of Justice and Attorney General  
 Queen's Printer Revolving Fund  
 Statement of Financial Position  
 As at March 31

	2009	2008
		(Note 11)
<b>Financial Assets</b>		
Cash	\$ 3,014	\$ 2,599
Accounts receivable	93,127	90,211
Inventory for resale	6,557	14,455
Accumulated net recovery (Statement 3)	74,458	97,280
<b>Total Financial Assets</b>	<u>177,156</u>	<u>204,545</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	63,640	88,425
Unearned revenue (Note 5)	18,780	19,400
<b>Total Liabilities</b>	<u>82,420</u>	<u>107,825</u>
<b>Accumulated Surplus</b>	<u>\$ 94,736</u>	<u>\$ 96,720</u>

(See accompanying notes to the financial statements)

## Statement 2

Ministry of Justice and Attorney General  
 Queen's Printer Revolving Fund  
 Statement of Operations and Accumulated Surplus  
 For the Year Ended March 31

	Budget 2009	Actual 2009	2008 (Note 11)
<b>Revenue</b>			
Sales	\$ 692,000	\$ 828,248	\$ 717,771
Cost of Goods Sold	(221,000)	(267,504)	(241,273)
Gross Profit	471,000	560,744	476,498
<b>Operating Expenses</b>			
Salaries	522,000	557,350	493,110
Information Technology	20,000	16,396	96,451
Telephone	10,000	8,350	11,264
Office Supplies	15,500	16,048	11,615
Other	20,500	29,584	18,207
Total Operating Expenses	588,000	627,728	630,647
Loss from operations	(117,000)	(66,984)	(154,149)
Subsidy from General Revenue Fund	98,000	65,000	148,000
Net loss after subsidy (Note 9)	<u>\$ (19,000)</u>	<u>(1,984)</u>	<u>(6,149)</u>
<b>Accumulated surplus - beginning of year</b>		96,720	102,869
<b>Accumulated surplus - end of year</b>		<u>\$ 94,736</u>	<u>\$ 96,720</u>

(See accompanying notes to the financial statements)

## Statement 3

Ministry of Justice and Attorney General  
 Queen's Printer Revolving Fund  
 Statement of Changes in Accumulated Net Recovery  
 For the Year Ended March 31

	2009	2008
Financing provided by (applied to) operating activities:		
Net loss after subsidy (Statement 2)	\$ (1,984)	\$ (6,149)
Net (decrease) increase in working capital related to operations (Note 6)	(20,838)	13,533
Net (increase) decrease in financing requirements	(22,822)	7,384
Accumulated net recovery - beginning of year	97,280	89,896
Accumulated net recovery - end of year	<u>\$ 74,458</u>	<u>\$ 97,280</u>

(See accompanying notes to the financial statements)

**MINISTRY OF JUSTICE AND ATTORNEY GENERAL  
QUEEN'S PRINTER REVOLVING FUND  
NOTES TO THE FINANCIAL STATEMENTS  
March 31, 2009**

**1. Authority and Definition of Reporting Entity**

The Queen's Printer Revolving Fund (Revolving Fund) operates under the authority of Section 9.1 of *The Queen's Printer's Act*. The purpose of the Revolving Fund is to provide a mechanism for printing, publishing and distributing government documents and publications to the public.

**2. Significant Accounting Policies**

Pursuant to standards established by the Public Sector Accounting Board, the Revolving Fund is classified as an other government organization. These financial statements are prepared in accordance with Canadian generally accepted accounting principles applicable for governments. These financial statements do not present a Statement of Change in Net Assets or a Statement of Cash Flows because this information is readily apparent from the Statement of Changes in Accumulated Net Recovery and Note 6. The following accounting policies are considered significant:

**a) Accumulated net recovery**

Expenditures of the Revolving Fund are made directly out of the General Revenue Fund (GRF) and receipts are deposited directly into the GRF. The excess of the accumulated expenditures over accumulated receipts is the accumulated outstanding borrowing from the GRF.

The accumulated net recovery of the Revolving Fund includes the aggregate of net financing requirements for all fiscal years resulting from the Revolving Fund's changes in working capital and net cash flow from operations.

**b) Inventory for resale**

Inventory for resale is valued at the lower of average cost and net realizable value.

**c) Cash**

Cash represents amounts collected but not yet transferred to the GRF.

**d) Revenue recognition**

Sales are recognized when documents/publications are delivered to customers. Subscriptions to the Saskatchewan Gazette are earned on a monthly basis.

e) Use of estimates

These statements are prepared in accordance with Canadian generally accepted accounting principles. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

3. **Authorized Financing**

Subsection 9.1(10) of *The Queen's Printer's Act* provides for a maximum amount of accumulated net expenditures which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. A maximum amount of \$150,000 was established by Order in Council 667/89.

4. **Accumulated Surplus/Deficit**

Treasury Board controls the operations of the Revolving Fund, in part by monitoring the amount of its accumulated surplus (deficit). If the amount falls above or below the limit specified by Treasury Board, management is responsible to present a plan to address the excess surplus (deficit) for approval by Treasury Board. Plans may include, but are not limited to, payment of excess surpluses to, or requests for additional funding from, the GRF. The limit for the Revolving Fund is \$100,000.

5. **Unearned Revenue**

Unearned revenue for the subscriptions to the Saskatchewan Gazette represents the portion of subscriptions that extend beyond the fiscal year.

6. **Net Changes in Working Capital Related to Operations**

	2009	2008
(Increase) in accounts receivable	\$ (2,916)	\$ (12,404)
Decrease (increase) in inventory for resale	7,898	(14,455)
(Increase) decrease in cash	(415)	15,372
(Decrease) increase in accounts payable and accrued liabilities	(24,785)	24,672
(Decrease) increase in unearned revenue	(620)	348
Net (decrease) increase in working capital related to operations	<u>\$ (20,838)</u>	<u>\$ 13,533</u>

## 7. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, ministries, agencies, boards and commissions related to the Revolving Fund by virtue of common control by the Government of Saskatchewan, and non-Crown corporations and enterprises subject to joint control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Publications are sold and services are provided to related parties at amounts agreed to by the parties. These amounts are lower than those charged to the public.

These transactions and amounts outstanding at year-end are as follows:

	<u>2009</u>	<u>2008</u>
Sales	\$ 228,373	\$ 249,154
Accounts receivable	45,878	48,936

Routine operating transactions with related parties are recorded at the standard rates charged by those organizations and are settled on normal trade terms. These transactions and amounts outstanding at year-end are as follows:

	<u>2009</u>	<u>2008</u>
Expenses	\$ 111,150	\$ 181,517
Accounts payable and accrued liabilities	733	4,517

In addition, the Revolving Fund pays Saskatchewan Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to/from them are described separately in these financial statements and notes thereto.

In accordance with established government policy, the Revolving Fund has not been charged with certain costs including occupancy, financing, use of tangible capital assets and certain administrative costs. These costs have been absorbed by various ministerial appropriations and therefore no provision for such costs is reflected in these financial statements.

## 8. Budget

These amounts are included in the budget submitted to Treasury Board for approval. Treasury Board approves the Revolving Fund's budget annually.



**9. Amount Reported in the Public Accounts**

The net recovery of the Revolving Fund reported in the Public Accounts is the net income of the Revolving Fund adjusted for the following differences in accounting policies and other adjustments between the Revolving Fund and the GRF.

	<u>2009</u>	<u>2008</u>
Net loss from operations	\$ (1,984)	\$ (6,149)
Decrease (increase) in inventory for resale	7,898	(14,455)
Timing differences in recording transactions	55,407	36,644
Net recovery reported in Public Accounts	<u>\$ 61,321</u>	<u>\$ 16,040</u>

**10. Change in Accounting Policy**

Effective April 1, 2008, the Revolving Fund adopted the standards established by the Public Sector Accounting Board. Other than presentation, the adoption of these standards has not affected the amounts recorded in the Revolving Fund's financial position or results of operations.

**11. Comparative Information**

The 2007-08 balances have been modified to conform to the current year's presentation.

